

# GENERAL INSTRUCTIONS — CREDIT INSTITUTION TAX RETURN

RSMo 148.120 – 148.230

*This information is for guidance only and does not state the complete law.*

1. FILE RETURN ON OR BEFORE APRIL 15 (tax becomes delinquent after this date and is subject to interest). Make check or money order payable to Financial Institution Tax. Mail to: Missouri Department of Revenue, P.O. Box 898, Jefferson City, Missouri 65105-0898.

An extension of time to file this return may be obtained from the Department of Revenue upon written request. Such request should indicate the extension period requested, the reason for the request and must be accompanied by a tentative return and payment for the estimated tax due. An extension of time to file the return does not extend the time for payment of the tax. An extension of time may not exceed 180 days from the due date (April 15) pursuant to Regulation 12 CSR 10-10.090.

## 2. WHO MUST FILE?

Every person, firm, partnership, or corporation engaged principally in the consumer credit or loan business in the

making of loans of money, credit, goods, or things in action, or in the buying, selling or discounting of, or investing in, negotiable or non-negotiable instruments given as security for or in payment of the purchase price of consumer goods exercising such franchise within the State of Missouri, but shall not include real estate mortgage loan companies, banks, trust companies, credit unions, insurance companies, mutual savings and loans associations and savings and loan associations.

3. CREDIT INSTITUTION TAX RETURN — If any taxpayer shall operate more than one office in the State of Missouri, the taxpayer shall file one return giving the address of each such office and allocating to each office its share of the net income of taxpayer in the ratio that the gross receipts of that office bears to the total gross receipts of taxpayer.

## SPECIFIC INSTRUCTIONS FOR COMPLETION OF THIS RETURN

Line 1. Taxpayers that are members of an affiliated group filing a consolidated federal income tax return shall compute federal taxable income as if a separate federal tax return had been filed. A pro forma federal return or appropriate schedules should then be attached together with a copy of pages 1 and 3 of the consolidated federal income tax return.

Line 2. Enter here all income received on state and/or political subdivision obligations excluded from the federal return. This income is taxable on this return. Explain if different from tax-exempt interest shown on federal return.

Line 3. Enter here all income received on federal securities excluded from the federal return (e.g., non-taxable portion Federal Reserve Bank dividends). This income is taxable on this return.

Line 4. Enter here the charitable contribution deduction claimed on the federal return.

Line 5. Enter here the bad debt claimed on the federal return **or** any additions to a bad debt reserve claimed as a deduction on federal return. (The reserve method is not a permissible method on this return.) In the appropriate box, indicate the bad debt method used on the federal return.

Line 6. Enter here the excess, if any, of recoveries of bad debts previously charged off over current year charge offs. Attach schedule of bad debt computation.

Line 7. Enter here any Missouri Credit Institution tax deducted on federal return. This is not an allowable deduction on this return.

Line 8. Enter here and on Line 19 taxes to be claimed as credits on this return. All taxes paid to the State of Missouri or any political subdivision thereof are eligible except taxes on real estate, unemployment taxes, credit institution tax, and taxes on tangible personal property owned by the taxpayer and held for lease or rental to others. Show detail in Schedule A.

**ATTACH SCHEDULE OF TAXES DEDUCTED ON FEDERAL FORM 1120, LINE 17 OR FORM 1120S, LINE 12 OR FORM 1065, LINE 14 OR SCHEDULE C, LINE 23 FOR VERIFICATION PURPOSES.**

An accrual basis taxpayer that is a member of an affiliated group filing a consolidated Missouri income tax return shall allocate a portion of the consolidated Missouri income tax liability for the year by multiplying such liability by a fraction, the numerator of which is the separate Missouri taxable income of such member, and the denominator of which is the sum of the separate Missouri taxable incomes of all members having Missouri taxable income for the year.

A cash basis taxpayer that is a member of an affiliated group filing a consolidated Missouri income tax return shall allocate each component of the consolidated Missouri income tax paid (or refunded) during the year by multiplying each component by a fraction, the numerator of which is the separate Missouri taxable income of such member for the applicable year, and the denominator of which is the sum of the separate Missouri taxable incomes of all members having Missouri taxable income for the applicable year.

In the computation of separate Missouri taxable income, each member of a group filing a consolidated Missouri income tax return shall start with its separate federal taxable income as computed pursuant to the method applicable to the group under Treasury Regulation 1.1552-1. The amount of the federal income tax deduction of each member under Section 143.171.1, RSMo, shall be that portion of the actual federal consolidated income tax liability of the group as is required to be allocated to such member under Internal Revenue Code Section 1552 without regard to any additional allocations under Treasury Regulation 1.1502-33(d).

Line 9. Enter on this line deductions claimed on the federal return which are not allowable on this return and income not included on the federal return which is required to be included on this return. (Attach schedule.) The

environmental tax under Section 59A of the Internal Revenue Code must be added back to income.

Line 10. Enter the total of Lines 1 through 9.

Line 11. Enter here the excess, if any, of bad debt charge offs over current year recoveries. Attach schedule of bad debt computation.

Line 12. Enter here the current year deduction for federal income tax related to the credit institution tax. The current year deduction will be the amount actually accrued (if an accrual basis taxpayer) or paid (if a cash basis taxpayer) during the year. Attach a schedule of the computation.

Accrual basis taxpayers that are members of an affiliated group filing a consolidated federal income tax return shall allocate a portion of the consolidated federal tax liability for the year by using the same method used by the group under Internal Revenue Code Section 1552 without regard to any additional allocations under Treasury Regulation 1.1502-33(d).

Cash basis taxpayers that are members of an affiliated group filing a consolidated federal income tax return shall allocate each component of the consolidated federal tax paid (or refunded) during the year by using the same method used by the group under Internal Revenue Code Section 1552 for the applicable year without regard to any additional allocations under Treasury Regulation 1.1502-33(d).

Line 13. Enter the total amount of any deduction claimed on this return and not included on the federal return. These deductions must be itemized on a schedule attached to this return.

Line 14. Enter the total of Lines 11 through 13.

Line 15. Subtract Line 14 from Line 10 and enter amount. If "loss", indicate by brackets "( )" and enter "none" on Line 18.

Line 16. Enter here the charitable contribution claimed on this return. The contribution deduction is limited to 5% of taxable income before the contribution deduction. Current year contributions only. Attach schedule.

Line 17. Subtract Line 16 from Line 15 and enter amount.

Line 18. Multiply the taxable income amount on Line 17 by 7% and enter the amount.

Line 19. Enter the amount from Line 8.

Line 20. Subtract Line 19 from Line 18 and enter amount.

Line 21A. Enter the amount of tentative payment, if applicable.

Line 21B. Enter here approved overpayment of previous year's tax. The original Form 1142, Financial Institution Tax Credit Authorization must be attached or credit will be disallowed.

Line 21C. Enter here any amounts claimed for Neighborhood Assistance Credit, Development Reserve Credit, Infrastructure Development Credit, Export Finance Credit, Affordable Housing Assistance Credit, Small Business Incubator Credit, Missouri Low Income Housing Credit, Missouri Business Modernization and Technology Credit, Community Bank Investment Credit, Small Business Investment Credit, Brownfield "Jobs and Investment" Credit, Missouri Higher Education Scholarship Fund Credit, Special Needs Adoption Tax Credit, Business Use Incentives for Large-scale Development (BUILD) Credit, Remediation Tax Credit, Youth Opportunities Credit, Qualified Research Expenses Credit, Shelter for Victims of Domestic Violence Credit, Maternity Home Credit, Historic Preservation Credit Agricultural Products Utilization Credit, Family Development Account Credit, New Enterprise Creation Credit, New Generation Cooperative Credit, Mature Worker Childcare Program Credit, Rebuilding Communities and Neighborhood Preservation Act Credit, Skills Development Credit, Film Production Credit, Rebuilding Communities Credit, Demolition Credit, Transportation Development Credit, Development Tax Credit, Bond Enhancement Credit, New Enhanced Enterprise Zone Credit, Missouri Quality Jobs Credit, Family Farms Act Credit, Residential Treatment Agency Credit, and Pregnancy Resource Credit. **A SCHEDULE LISTING AMOUNTS FOR EACH CREDIT AND A COPY OF APPROVED AUTHORIZATION MUST BE ATTACHED TO RETURN.**

Line 21D. Enter here approved enterprise zone credit. **ATTACH COPY OF APPROVAL FROM DEPARTMENT OF ECONOMIC DEVELOPMENT OR CREDIT WILL BE DISALLOWED.**

Compute allowable enterprise zone credit as follows, whichever method is greater.

Taxable Income Line 17 multiplied by percentage determined by Department of Economic Development in second paragraph of Certification of Eligibility multiplied by seven percent (7%) **OR** tax liability on Line 18 multiplied by the percentage shown which may be used to offset the tax.

Line 22. Subtract Lines 21A through 21D from Line 20.

Line 23. Calculate interest for period which tax payment is delinquent. Interest should be calculated from the due date of April 15 through date of payment at the annual rate. The annual interest rate can be obtained from the department's web site at: **[www.dor.mo.gov/tax](http://www.dor.mo.gov/tax)**.

Line 24. Enter the total of Lines 22 and 23.